

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **March 11, 2003**

AGENDA ITEM NO.: 14

CONSENT:

REGULAR: **X**

CLOSED SESSION:

(Confidential)

ACTION: **X**

INFORMATION:

ITEM TITLE: **FY2004 Water and Sewer Rates and Connection Fees**

RECOMMENDATION: Pending comments at the public hearing, approve the adoption of the attached ordinance enacting changes in the City Code effective July 1, 2003, except for the connection fees which are proposed to be effective January 1, 2004.

SUMMARY: At the February 25, 2003 work session, City Council considered proposed revisions to water/sewer rates and connection fees as recommended by the City's utility rate consultant, PJ Sun, LLC. The rate strategy for this year continues with the goals to:

- a. Minimize the impact of rate adjustments on residential and other small customers
- b. Ensure necessary funding is provided for increases in operating and debt service costs
- c. Ensure compliance with the Special Order for Combined Sewer Overflow (CSO) correction between the City and the Department of Environmental Quality (DEQ)
- d. Ensure compliance with adopted Fund Balance and Debt Management Financial Policies.

PRIOR ACTION(S): February 25, 2003: City Council Work Session to review FY2004 Utility Rate Study as prepared by PJ Sun, LLP.

FISCAL IMPACT: Total water revenues for FY 2004 are projected to increase by 8.2% as a result of rate increases and moderate increases in water use. FY 2004 operating expenses in the Water Fund are projected to increase by 6.1% over FY 2003 levels. Total sewer revenues for FY2004 are projected to increase by 6% primarily due to the 8.6% proposed increase in the sewer volume rate. FY 2004 operating expenses in the Sewer Fund are projected to decrease by 0.4% over FY 2003 levels. The average monthly increase in sewer and water charges for most customers will be approximately 5.5%.

CONTACT(S): Tim Mitchell, Acting Director of Utilities 847-1322
Michael Hill, Director of Finance 847-1307
Bruce McNabb, Director of Public Works 847-1823

ATTACHMENT(S):

Ordinance enacting the FY 2004 Water and Sewer rates and connection fees
Summary comparing current monthly water and sewer rates with proposed FY 2004

REVIEWED BY: lkp

AN ORDINANCE TO AMEND AND REENACT SECTIONS 34-4, 34-12.1, 39-27, 39-54.1 AND 39-54.1.2 OF THE CODE OF THE CITY OF LYNCHBURG, 1981, AS AMENDED, THE AMENDED SECTIONS RELATING TO WATER AND SEWER RATES AND CONNECTION FEES.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LYNCHBURG:

1. That Sections 34-4, 34-12.1, 39-27, 39-54.1 and 39-54.1.2 of the Code of the City of Lynchburg, 1981 are hereby amended and reenacted as follows:

Sec. 34-4. General terms, conditions, and provisions applicable to sewer mains extended or installed with city approval.

(a) Title to any sewer main extensions or service connections within the public right-of-way or requested easements shall vest in the city upon the completion of construction regardless of method of financing.

(b) Where public sewer systems are already installed, replacement or enlargement of the sewer pipes, when deemed necessary by the city, shall be made at the sole cost and expense of the city.

(c) Whenever any person owning property along the line of any sewer main in the city which has been extended, installed or purchased by the city in the preservation of the health and general welfare of the public, or by petition, but without the participation of him or a previous owner of this property, shall desire the sewer service from said main to his premises, he shall be required to do the following:

(1) Fulfill the criteria as outlined under subsection (g) hereof, involving sewer main connections;

(2) Make an additional payment of an availability charge, the purpose of which is to defray in part the cost of providing outfall lines, pumping stations and waste treatment facilities. The availability charges are as follows:

a. Single-family residence:

(i) Where fifty (50) to fifty-nine (59) per cent of the potential customers of the project as determined by the city engineer sign petitions requesting such project, the charge shall be nineteen hundred and fifty dollars (\$1,950.00) per connection, for each such petitioner.

(ii) Where sixty (60) to sixty-nine (69) per cent of said customers sign such petitions, the charge shall be eighteen hundred fifty dollars (\$1,850.00) per connection, for each such petitioner.

(iii) Where seventy (70) to seventy-nine (79) per cent of said customers sign such petitions, the charge shall be seventeen hundred fifty dollars (\$1,750.00) per connection, for each such petitioner.

(iv) Where eighty (80) to eighty-nine (89) per cent of said customers sign such petitions, the charge shall be sixteen hundred and seventy-five dollars (\$1,675.00) per connection, for each such petitioner.

(v) Where ninety (90) to ninety-four (94) per cent of said customers sign such petitions, the charge shall be fifteen hundred and fifty dollars (\$1,550.00) per connection, for each such petitioner.

(vi) Where ninety-five (95) to one hundred (100) per cent of said customers sign such petitions, the charge shall be fourteen hundred and fifty dollars (\$1,450.00) per connection, for each such petitioner.

b. Multifamily structures and mobile home parks where a single connection is made:

(i) For the first five (5) units, nine hundred and eighty dollars (\$980.00) each.

(ii) For the second five (5) units, seven hundred and thirty dollars (\$730.00) each.

(iii) For all additional units, four hundred and ninety dollars (\$490.00) each, subject to a maximum charge of eighteen thousand three hundred and fifty dollars (\$18,350.00) under this subsection b.

Separate individual connections to each unit of a multifamily structure or mobile home park will require the same availability charge for each unit as a single-family residential unit. Separate connections serving more than one unit will require the availability charge as specified above in Section 34-4(c)(2)b.

c. Commercial service: Up to two thousand (2,000) square feet of floor space, or if a maximum four (4) inch diameter building sewer is used, the charge shall be nineteen hundred and fifty dollars (\$1,950.00). If a connection sewer in excess of four (4) inches in diameter is required, the following charges shall apply:

Availability Charge:	Floor Space
\$1,950.00	0 to 2,000 square feet
\$2,440.00	2,001 to 10,000 square feet
\$3,640.00	10,001 to 20,000 square feet
\$6,110.00	20,001 to 35,000 square feet
\$9,650.00	35,001 to 99,999 square feet
As determined by city council	100,000 square feet or greater

All availability charges for institutional service shall be as determined by city council on a case-by-case basis.

d. Just prior to the conclusion of each fiscal year, the city manager or his designee shall review all availability charges and connection fees, and recommend to council appropriate charges.

e. All extension agreements and service requests not included in original petitions shall be subject to the maximum prevailing availability charges and connection fees which are in effect at the time such agreement or request is approved by council, irrespective of the number of original petitioners.

(d) Whenever any property abutting a street is without a city sewer main, the owner desiring city sewer service shall be required to sign a petition for extension of sewer mains.

(1) Single-family and multifamily structures and mobile home parks: Upon receipt of said petition signed by at least fifty (50) per cent of the owners representing properties to be served by the sewer main extension, the city shall prepare an estimate for the installation of a sewer main.

Such estimate shall be prepared on the basis that the location, character and size of the extension, and the plans and specifications for the extension, and the materials used in the installation, replacement, maintenance and repair of the extension shall be as specified by the city.

(2) Commercial service: Where the council has determined the petitioned project to be economically feasible to the city, the availability charges set forth in Section 34-4(c)(2)c. shall be applicable.

Where the council has determined that the petitioned project is not economically feasible to the city, the cost of the project will be apportioned by council between the city and the benefitted property owners. The entire non-city portion shall be apportioned by council between the petitioning property owners as their availability charge. Any nonsigning property owner later petitioning for service shall pay the same proportioned share for each connection as the original signers.

(e) The owner or occupant of a single-family dwelling or a two-family dwelling that did not have access to city sewer lines prior to the extension of the line, may make arrangements to pay the availability charges in paragraph (c)(2)(a) and the connection charges in paragraph (g) of this section in installments. The city's billings and collections division may enter into a water and sewer service availability fee installment agreement with the owner or occupant of a single-family dwelling or a two-family dwelling under the following conditions:

- (1) Only an owner or occupant that actually connects their dwelling to the city's sewer system is eligible to enter into a water and sewer service availability fee installment agreement.
- (2) The availability and connection charges and interest must be paid in full within one year.
- (3) Interest at the rate of five (5) percent per annum or the interest rate the city was charged for its most recent bond issue, whichever rate of interest is higher, will be charged on the unpaid balance of the availability and connection charges.
- (4) Payments will be made on such dates and in such amounts as the billings and collections division, in its discretion, determines are appropriate.
- (5) The unpaid balance of the availability and connection charges may be paid in full at any time without any prepayment penalty.
- (6) The water and sewer service availability fee installment agreement cannot be assigned or assumed without the prior written consent of the billings and collections division.
- (7) If the owners or occupants fail to make payments in accordance with the water and sewer service availability fee installment agreement, the city may discontinue water service to the property until all arrears for availability and connection fee installment payments due the city are paid in full.
- (8) As provided in section 15.2-104 of the Code of Virginia, or any succeeding section, the city will place a lien against the property that is served by the sewer line to secure the payment of the unpaid availability and connection charges.

The installment plan offered by this paragraph is for the benefit of the owners or occupants of single-family dwellings and two-family dwellings and is not available to developers or builders of residential subdivisions, apartments, boarding houses, lodging houses, rooming houses or other multi-family dwellings or to commercial and institutional facilities, or similar housing units.

- (f) Sewer main extensions involving industrial development, residential subdivision development of three (3) or more dwelling units per lot, and/or any other planned unit or special development are excepted from this section.
- (g) In addition to the previous applicable requirements, whenever any person owning property along the line of any sewer main in the city shall desire sewer service into his premises, he shall execute an agreement known as an "Application for Sewer." In addition thereto, the licensed plumber employed by him shall make written application therefor to the city on forms prescribed for that purpose.

Unless the building sewer, or connection, has been previously installed, the plumber or building contractor shall clearly indicate at the premises by a stake or otherwise the exact location of the building sewer. An applicant for any new connection must make an estimate of the size building sewer needed for all lines greater than four (4) inches in diameter for the particular building in order that the proper size building sewer may be installed to satisfy the demand. Upon approval of the application, payment of certain fixed sewer connection fees must be made as follows:

- (1) Four (4) inch diameter house building sewer ~~\$700.00~~ \$770.00
- (2) Larger than four (4) inch diameter building sewer - cost plus 15%; minimum charge ~~\$750.00~~ \$825.00

Provided, that when any property owner grants to the city free of cost the right to construct and maintain a sewer across said property owner's property, that property owner shall be granted a credit of one hundred dollars (\$100.00) to be applied against the appropriate connection charge for one (1) connection.

The city will then install a building sewer leading from the main in the street to the property line, or install a sewer saddle. This requirement also applies to houses formerly occupied by one (1) family, but which are

converted into two (2) or more apartments, with a separate sewer connection for each apartment unit. When these requirements are complied with, the city will thereupon issue a permit for the plumber named in the application to make connection with the city's sewer. All such connections and all plumbing work shall conform in all respects to the provisions of the plumbing code of the city.

(h) Residential subdivisions of no more than two (2) dwelling units per lot. For all subdivisions located within the city containing no more than two (2) dwelling units per lot, in addition to the construction of the system within the boundaries of the subdivision by the subdivider pursuant to Section 24.1-31(a) of the city's subdivision ordinance, there shall be paid by the property owner to the city at the time of connection to the system a connection fee (without an easement credit) as required by subsection (g) for each connection, and an availability charge, the purpose of which is to defray in part the cost of providing extension lines, pumping stations and waste treatment facilities, the sum of four hundred dollars (\$400.00) per lot; provided, however, that if in any subdivision development any lot is served by a connection directly to lines installed by the city, the availability charges as listed in Section 34-4(c)(2)a, will be paid by the property owner, except, however, that where he or a previous owner of this property participated in the cost of such lines, no availability charge shall be payable.

(i) The owner or occupant of a single-family dwelling or a two-family dwelling that did not have access to city sewer lines at the time it was constructed, may make arrangements to pay the availability charges in paragraph (c)(2)(a) and the connection charges in paragraph (g) of this section in installments. The city's billings and collections division may enter into a water and sewer service availability fee installment agreement with the owner or occupant of a single-family dwelling or a two-family dwelling under the following conditions:

(1) Only an owner or occupant that actually connects their dwelling to the city's sewer system is eligible to enter into a water and sewer service availability fee installment agreement.

(2) The availability and connection charges and interest must be paid in full within one year.

(3) Interest at the rate of five (5) percent per annum or the interest rate the city was charged for its most recent bond issue, whichever rate of interest is higher, will be charged on the unpaid balance of the availability and connection charges.

(4) Payments will be made on such dates and in such amounts as the billings and collections division, in its discretion, determines are appropriate.

(5) The unpaid balance of the availability and connection charges may be paid in full at any time without any prepayment penalty.

(6) The water and sewer service availability fee installment agreement cannot be assigned or assumed without the prior written consent of the billings and collections division.

(7) If the owners or occupants fail to make payments in accordance with the water and sewer service availability fee installment agreement, the city may discontinue water service to the property until all arrears for availability and connection fee installment payments due the city are paid in full.

(8) As provided in Section 15.2-104 of the Code of Virginia, or any succeeding section, the city will place a lien against the property that is served by the sewer line to secure the payment of the unpaid availability and connection charges.

The installment plan offered by this paragraph is for the benefit of the owners or occupants of single-family dwellings and two-family dwellings and is not available to developers or builders of residential subdivisions, apartments, boarding houses, lodging houses, rooming houses or other multi-family dwellings or to commercial and institutional facilities, or similar types of housing units.

Sec. 34-12.1. Schedule of sewer rates.

(a) The monthly sewer rates for all consumers within the city shall be ~~\$4.07~~ \$4.42 per h.c.f. of water used provided, however, that the rate of any party discharging industrial waste or processed water into the city system pursuant to an individual contract shall be as provided in such contract.

(b) In addition to the sewer rates provided in this section, a high strength waste surcharge is established for all customers with discharges in excess of twenty-five thousand (25,000) gallons per day and having biological oxygen demand and/or suspended solids concentrations in excess of normal wastewater.

The surcharge shall be as follows:

(1) For BOD concentrations in excess of three hundred (300) milligrams per liter (mg/l), ~~fifteen dollars and fifty-two cents (\$15.52)~~ sixteen dollars and fourteen cents (\$16.14) per one hundred (100) pounds.

(2) For suspended solids concentrations in excess of four hundred (400) milligrams per liter (MG/l), eighteen dollars and twenty-five cents (\$18.25) per one hundred (100) pounds.

(3) Truck hauled wastes disposal charges for residential and restaurant wastes as defined in Section 34-13 will be assessed at the following rates: one hundred seventy-seven dollars (\$177.00) up to a limit of 2,500 gallons of capacity and thirty dollars (\$30.00) for each 500 gallons of capacity over 2,500 gallons. Truck hauled wastes for special contract holders shall be charged in accordance to the terms of the contracting agreement.

(c) Annually, the director of financial services shall compute the average of each residential customer's level of monthly water consumption in hundred cubic feet (h.c.f.) for the most recent period beginning with the first billing in November and ending with the second billing in April. By multiplying this monthly average by 1.25, a seasonal consumption limit for sewer billing shall be derived for each residential account. This limit will apply during the period for the first billing in May through the second billing in October. This adjustment shall apply only to residential bills and shall not apply to any customers using water for the purpose of manufacturing or for commercial or multifamily dwellings.

Sec. 39-27. General terms, conditions and provisions applicable to water mains extended or installed with city approval.

(a) Title to any water main extensions or service connections within the public right-of-way or requested easements shall vest in the city upon the completion of construction regardless of method of financing.

(b) Where public water systems are already installed, replacement or enlargement of the water pipes, when deemed necessary by the city, shall be made at the sole cost and expense of the city.

(c) Whenever any person owning property along the line of any water main in the city which has been extended, installed or purchased by the city in the preservation of the health and general welfare of the public, or by petition, but without the participation of him or a previous owner of this property, shall desire the water service from said main to his premises, he shall be required to do the following:

(1) Fulfill the criteria as outlined under subsection (g) hereof, involving water main connections

(2) Make an additional payment of an availability charge, the purpose of which is to defray in part the cost of providing transmission mains, booster pumping and distribution storage facilities. The availability charges are as follows:

a. Single-family residence:

1. Where fifty (50) to fifty-nine (59) per cent of the potential customers of the project as determined by the city engineer sign petitions requesting such project, the charge shall be one thousand two hundred twenty dollars (\$1,220.00) per connection, for each such petitioner.
2. Where sixty (60) to sixty-nine (69) per cent of said customers sign such petitions, the charge shall be one thousand one hundred sixty dollars (\$1,160.00) per connection, for each such petitioner.
3. Where seventy (70) to seventy-nine (79) per cent of said customers sign such petitions, the charge shall be one thousand one hundred dollars (\$1,100.00) per connection, for each such petitioner.
4. Where eighty (80) to eighty-nine (89) per cent of said customers sign such petitions, the charge shall be one thousand forty dollars (\$1,040.00) per connection, for each such petitioner.
5. Where ninety (90) to ninety-four (94) per cent of said customers sign such petitions, the charge shall be nine hundred eighty dollars (\$980.00) per connection, for each such petitioner.
6. Where ninety-five (95) to one hundred (100) per cent of said customers sign such petitions, the charge shall be nine hundred twenty dollars (\$920.00) per connection, for each such petitioner.

b. Multifamily structures and mobile home parks where a master meter is used:

1. For the first five (5) units, six hundred ten dollars (\$610.00) each.
2. For the second five (5) units, four hundred sixty dollars (\$460.00) each.
3. For all additional units, three hundred ten dollars (\$310.00) each, subject to a maximum charge of eleven thousand five hundred fifty dollars (\$11,550.00) under this subsection b.
4. Separate individual connections to each unit of a multifamily structure or mobile home park will require the same availability charge for each unit as a single-family residential unit. Separate connections serving more than one (1) unit will require the availability charge as specified above in Section 39-27(c)(2)b.

c. Commercial service: Up to two thousand (2,000) square feet of floor space or if a meter one (1) inch in diameter or smaller is used, the charge shall be one thousand two hundred twenty dollars (\$1,220.00). If a meter in excess of one (1) inch in diameter is required, the following charges shall apply:

Availability charge	Floor space
\$1,220.00	0 to 2,000 square feet
\$1,530.00	2,001 to 10,000 square feet
\$2,290.00	10,001 to 20,000 square feet
\$3,820.00	20,001 to 35,000 square feet
\$6,110.00	35,001 to 99,999 square feet
As determined by city council	100,000 square feet or greater

All availability charges for institutional service shall be as determined by city council on a case-by-case basis.

- d. Just prior to the conclusion of each fiscal year, the city manager or his designee shall review all availability charges and connection fees, and recommend to council appropriate changes.
- e. All extension agreements and service requests not included in original petitions shall be subject to the maximum prevailing availability charges and connection fees which are in effect at the time such agreement or request is approved by council, irrespective of the number of original petitioners.
- (d) Whenever any property abutting a street is without a city water main, the owner desiring city water service shall be required to sign a petition for extension of water mains.

(1) Single-family and multifamily structures and mobile home parks:

a. Upon receipt of said petition signed by at least fifty (50) per cent of the owners representing properties to be served by the water main extension, the city shall prepare an estimate for the installation of a water main.

b. Such estimate shall be prepared on the basis that the location, character and size of the extension and the plans and specifications for the extension and the materials used in the installation, replacement, maintenance and repair of the extension shall be as specified by the city.

(2) Commercial service:

a. Where the council has determined the petitioned project to be economically feasible to the city, the availability charges set forth in Section 39-27(c)(2)c. shall be applicable.

b. Where the council has determined that the petitioned project is not economically feasible to the city the cost of the project will be apportioned by council between the city and the benefitted property owners. The entire noncity portion shall be apportioned by council between the petitioning property owners as their availability charges. Any nonsigning property owner later petitioning for service shall pay the same proportioned share for each connection as the original signers.

(e) The owner or occupant of a single-family dwelling or a two-family dwelling that did not have access to city sewer lines at the time it was constructed, may make arrangements to pay the availability charges in paragraph (c)(2)(a) and the connection charges in paragraph (g) of this section in installments. The city's billings and collections division may enter into a water and sewer service availability fee installment agreement with the owner or occupant of a single-family dwelling or a two-family dwelling under the following conditions:

(1) Only an owner or occupant that actually connects their dwelling to the city's sewer system is eligible to enter into a water and sewer service availability fee installment agreement.

(2) The availability and connection charges and interest must be paid in full within one year.

(3) Interest at the rate of five (5) percent per annum or the interest rate the city was charged for its most recent bond issue, whichever rate of interest is higher, will be charged on the unpaid balance of the availability and connection charges.

(4) Payments will be made on such dates and in such amounts as the billings and collections division, in its discretion, determines are appropriate.

(5) The unpaid balance of the availability and connection charges may be paid in full at any time without any prepayment penalty.

(6) The water and sewer service availability fee installment agreement cannot be assigned or assumed without the prior written consent of the billings and collections division.

(7) If the owners or occupants fail to make payments in accordance with the water and sewer service availability fee installment agreement, the city may discontinue water service to the property until all arrears for availability and connection fee installment payments due the city are paid in full.

(8) As provided in Section 15.2-104 of the Code of Virginia, or any succeeding section, the city will place a lien against the property that is served by the sewer line to secure the payment of the unpaid availability and connection charges.

The installment plan offered by this paragraph is for the benefit of the owners or occupants of single-family dwellings and two-family dwellings and is not available to developers or builders of residential subdivisions,

apartments, boarding houses, lodging houses, rooming houses or other multi-family dwellings or to commercial and institutional facilities.

(f) Water main extensions involving industrial development, residential subdivision development of three (3) or more dwelling units per lot, and/or any other planned unit or special development are excepted from this section.

(g) In addition to the previous applicable requirements, whenever any person owning property along the line of any water main in the city shall desire water service into his premises, he shall execute an agreement known as an "application for water." In addition thereto, the licensed plumber employed by him shall make written application therefor to the city on forms prescribed for that purpose.

Unless the service pipe and meter box have been previously installed, the plumber or building contractor shall clearly indicate at the premises by a stake or otherwise the exact location of the proposed meter and service. An applicant for any new service must make an estimate of the size connection needed for all meters greater than five-eighths (5/8ths) inch with a three-fourths (3/4ths) inch service for the particular building in order that the proper size service pipe and meter may be installed to satisfy the demand. Upon approval of the application and payment of certain fixed water connection fees must be made as follows:

- (1) 3/4-inch service—5/8-inch meter ~~\$500.00~~ \$550.00
- (2) 1-inch service—5/8-inch meter ~~\$540.00~~ \$561.00
- (3) 1-inch service—1-inch meter ~~\$620.00~~ \$682.00
- (4) Larger than 1-inch service and 1-inch meter - Cost plus 15 %; minimum charge ~~(\$620.00)~~ \$682.00;

The city will then install a service pipe leading from the main in the street to the water meter box near the property line and/or install the meter. This requirement also applies to houses formerly occupied by one (1) family, but which are converted into two (2) or more apartments, with a separate water service and meter for each apartment unit. When these requirements are complied with, the city will thereupon issue a permit for the plumber named in the application to make connection with the meter box. All such connections and all plumbing work incident to the introduction of water into the premises shall conform in all respects to the provisions of the plumbing code of the city.

(h) Residential subdivisions of no more than two (2) dwelling units per lot: For all subdivisions located within the city containing no more than two (2) dwelling units per lot, in addition to the construction of the system within the boundaries of the subdivision by the subdivider pursuant to Section 24.1-31(a) of the city's subdivision ordinance, there shall be paid by the property owner to the city at the time of connection to the system a connection fee (without an easement credit) as required by subsection (g) for each connection, and an availability charge, the purpose of which is to defray in part the cost of providing transmission mains, booster pumping and distribution facilities, the sum of three hundred dollars (\$300.00) per lot; provided, however, that if in any subdivision development any lot is served by a connection directly to lines installed by the city, the availability charges as listed in Section 39-27(c)(2)a. will be paid by the property owner except, however, that where he or a previous owner of this property participated in the cost of such line, no availability charge shall be payable.

(i) Residential subdivisions of no more than one (1) dwelling unit per lot: Notwithstanding the conditions of Section 39-27(g) and 24-31(a) city council may, upon request and after having obtained appropriate commitments for development of streets, recreational facilities, and other issues related to providing for affordable housing in the city, enter into a special agreement with subdivision developers, whereas the city would reimburse the developer for 100% of the cost of installing waterlines within the subdivision boundaries provided that: the agreement provides for guarantees from the developer that 80% of the projected revenue from the annual water rates paid by customers connected to the installed waterline within the subdivision boundaries in the first ten years will pay the total cost of the reimbursed amount, within the following ten years. Guarantees may be in the form of liens placed on lots within the subdivision; cash payments; bonds; or other forms of securities satisfactory to the city attorney. Such guarantees shall remain in effect until the full amount of the security is paid. The director of public works shall review such records relating to the agreement to assure that the projected revenue from the development will recover the cost of the waterline reimbursement

over a period of twenty years. The developer shall be responsible for providing all information necessary to assure compliance with the terms of the agreement. The city shall render a bill to the developer after the first 10 years that the agreement is in force for the difference of the amount of projected revenue from the customers connected to the waterlines at that time and the total amount of the reimbursement for the cost for the installation of the waterlines. If any covenants of the agreement are not satisfied, the city shall render a bill immediately relating to the remaining wateline costs.

(j) The owner or occupant of a single-family dwelling or a two-family dwelling that did not have access to city water lines at the time it was constructed, may make arrangements to pay the availability charges in paragraph (c)(2)(a) and the connection charges in paragraph (g) of this section in installments. The city's billings and collections division may enter into a water and sewer service availability fee installment agreement with the owner or occupant of a single-family dwelling or a two-family dwelling under the following conditions:

(1) Only an owner or occupant that actually connects their dwelling to the city's water system is eligible to enter into a water and sewer service availability fee installment agreement.

(2) The availability and connection charges and interest must be paid in full within one year.

(3) Interest at the rate of 5 percent per annum or the interest rate the city was charged for its most recent bond issue, whichever rate of interest is higher, will be charged on the unpaid balance of the availability and connection charges.

(4) Payments will be made on such dates and in such amounts as the billings and collections division, in its discretion, determines are appropriate.

(5) The unpaid balance of the availability and connection charges may be paid in full at any time without any prepayment penalty.

(6) The water and sewer service availability fee installment agreement cannot be assigned or assumed without the prior written consent of the billings and collections division.

(7) If the owners or occupants failed to make payments in accordance with the water and sewer service availability fee installment agreement the city may discontinue water service to the property until all arrears for availability and connection fee installment payments due the city are paid in full.

(8) As provided in Section 15.2-104 of the Code of Virginia, or any succeeding section, the city will place a lien against the property that is served by the water line to secure the payment of the unpaid availability and connection charges.

The installment plan offered by this paragraph is for the benefit of the owners or occupant of single-family dwellings and two-family dwellings and is not available to developers or builders of residential subdivisions, apartments, boarding houses, lodging houses, rooming houses or other multi-family dwellings, or to commercial and institutional facilities.

Sec. 39-54.1. Schedule of water rates.

The monthly water rates for all consumers within the city shall be as follows:

0-30 h.c.f. of water used	\$1.67 per h.c.f.
31-700 h.c.f. of water used	1.40 per h.c.f.
over 700 <u>30</u> h.c.f. of water used	1.27 <u>1.54</u> per h.c.f.

There shall be, in addition to any other charge, a monthly account charge of three dollars and sixty nine cents (\$3.69) per meter.

Sec. 39-54.1.2. Fire flow capacity charge.

The purpose of this charge is to recover the water system costs associated with providing fire protection and suppression capability from those customers with connections to the water system installed for the purpose of supplying water to on-site hydrants, standpipes, sprinkler systems or combinations thereof. The annual charges shall be as follows:

Hydrant or 8" or small fire line	\$199.56	<u>\$207.60</u>
10" fire line	\$358.44	<u>\$372.72</u>
12" fire line	\$568.56	<u>\$591.36</u>

2. That Sections 34-12.1, 39-54.1 and 39-54.1.2 (water and sewer rates) shall become effective for bills rendered on or after July 1, 2003.

3. That Sections 34-4 and 39-27 (connection fees) shall become effective January 1, 2004.

Adopted:

Certified:

Clerk of Council

051L

RATE PROPOSALS

The following table provides a comparison of the current monthly water and sewer rates and the rates proposed for City Council approval, effective July 1, 2003, except for the connection fees which are proposed to be effective January 1, 2004. A summary of all water and sewer rates in effect over the past five years is included in Section I.

	FY 2003 Revenue	Current Rate	Proposed Rate	% Increase
Water				
Block 1: (0-30 hcf)	\$3,582,000	\$1.67	\$1.67	0.0%
Block 2: (31-700 hcf)	1,291,000	1.40	1.54	10.0%
Block 3: (700+ hcf)	856,000	1.27	1.54	21.3%
Sewer				
Volume charge / hcf	10,175,000	\$4.07	\$4.42	8.6%
BOD charge / 100 lbs.	25,000	15.52	16.14	4.0%
TSS charge / 100 lbs.	25,000	18.25	18.25	0%
Septic hauler charge	225,000	177.00	177.00	0%
Industrial permit fee	30,000	200.00	200.00	0%
Fire Protection				
Hydrants & 8" or smaller fire lines	306,000	\$16.63	\$17.30	4.0%
10" fire lines	24,000	29.87	31.06	4.0%
12" fire lines	24,000	47.38	49.28	4.0%
Availability Fees				
Water	90,000	\$1,220	\$1,220	0%
Sewer	150,000	1,950	1,950	0%
Water Connection Fees	66,000			
¾" & 5/8" meters		\$500	\$550	10%
1" service - 5/8" meter		510	561	10%
1" service - 1" meter		620	682	10%
Greater than 1" - minimum		620	682	10%
Sewer Connection Fees	83,000			
4" sewer line		700	770	10%
Greater than 4" - minimum		750	825	10%
Other Charges				
Meter charge	938,000	\$3.69	\$3.69	0%
Cut-on charge	25,000	15.00	15.00	0%
Cut-off charge	100,000	25.00	25.00	0%
Delinquent account fee	65,000	5%	5%	0%